GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

YAT&C Department -Allotment of land on lease basis and Grant of Incentives for Development of Five Star Luxury Hotel under 'Hyatt Regency' brand by M/s MRKR Constructions & Industries Pvt. Ltd. at Peruru, Tirupati District (Erstwhile Chittoor District.) in the State as per the provisions of AP Tourism Policy 2020-2025 - Orders - Issued.

YOUTH ADVANCEMENT, TOURISM AND CULTURE (T) DEPARTMENT

G.O.MS.No.14 Dt:21.07.2023

Read the following:

1. G.O.Ms.No.11, YAT&C(T)Dept., Dt:28-12-2020.
2. Letter received from M/s MRKR Constructions & Industries Pvt.Ltd, Hyderabad.
3. Minutes of the SIPC Meeting, Dt:10.07.2023.
4. Minutes of the SIPB Meeting, Dt:11.07.2023.
5. U.O.Note.No.229-D/2023, G.A. (CABINET) Department, Dt:14.07.2023.(Council Resolution No.229-D/2023)

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ORDER :-

The State of Andhra Pradesh is blessed with the country's second longest coastline (974 Kms) and perennial rivers and scenic backwaters, is home to one of the world's most visited religious destinations, is considered as the birthplace of Mahayana Buddhism and boasts of a vibrant and rich culture and heritage. Evidently so, Andhra Pradesh is the fourth most visited state for domestic tourists in the country.

2. The Andhra Pradesh Tourism Policy 2020-2025 issued vide reference 1st cited, indicates the vision of the Government to develop the State into a premier world class tourist destination through luxury resorts, MICE centres, adventure parks and other tourism infrastructure. The Policy offers industry best incentives, attractive terms for land allotment that shall position the state as a premier world-class tourism destination with robust infrastructure. The state has been witnessing an increased interest from private players for investment in Tourism projects. The development of proposed 5-Star and above projects/Mega Projects/Large Tourism Projects through private investment will be a testament to the vision of the Government, to develop luxury and iconic projects in the state and will greatly aid in the overall development of the state.

3. The Managing Director, Andhra Pradesh Tourism Development Corporation Limited has stated that during the Global Investors Summit held on 3rd and 4th March, 2023 at Visakhapatnam, M/s MRKR Constructions & Industries Private Limited, Hyderabad have signed a Memorandum of Understanding with Tourism Department on 4th March, 2023 for development of Five Star Hotels and Eco Beach Resort in Tirupati and Visakhapatnam with an estimated investment of Rs.1000 Cr which will create employment for approximately 2000 people. In compliance to the Memorandum of Understanding, M/s MRKR Constructions &

(PTO)

Industries Private Limited, Hyderabad, submitted a Detailed Project Report for development of a Hyatt Regency Five Star Luxury Hotel at Peruru, Tirupati with an estimated investment of Rs.218 Cr, with an employment of Direct -260 and Indirect-1296.

4. M/s MRKR Constructions & Industries Private Limited, Hyderabad have requested for allotment of 6 Acres of land on lease basis at Lease Rental of 1% of the SRO (Sub Registrar Office) value of the land per annum for a period of 3.5+90 years. 100% waiver of Land Conversion charges, 100% reimbursement of Stamp duty and transfer duty. 100% Reimbursement of net SGST accrued to the State for all new Tourism units for a period of (5) five years from COD or up to realization of 100% of the fixed capital investment, whichever is earlier. Power Cost Reimbursement - @ Rs 2.00/unit for 5 years from COD and to accord Industrial status.

5. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 11.07.2023 with the recommendations of the State Investment Promotion Committee (SIPC) in it's meeting held on 10.07.2023. After detailed discussions, the board has recommended to extend certain incentives to M/s MRKR Constructions & Industries Private Limited, Hyderabad respectively.

6. The Government after careful examination of the matter, has approved for allotment of land on lease basis under PPP mode and grant incentives based on the recommendations of State Investment Promotion Board (SIPB) **for Development of Five Star Luxury Hotel under 'Hyatt Regency' brand by M/s MRKR Constructions & Industries Pvt. Ltd. at Peruru, Tirupati District (Erstwhile Chittoor Dist.).** The following are the land allotment terms and incentives provided based on the recommendations of the State Investment Promotion Board (SIPB) and as per provisions of A.P.Tourism Policy 2020-2025:-

(a) Approved for allotment of Ac.3.00 Cts of land in Sy.No. 604 at Peruru Village, Tirupati District on lease basis for a period 90 + 3.5 (construction period) years.

(b) Allotment of land on Lease basis subject to following conditions:-

(i) Lease Rental of 1% of the SRO (Sub Registrar Office) value of the land per annum with an increase of 5% in a block of 3 years as per AP Tourism Policy 2020-2025.

(ii) In addition to the above, ADP equal to 2% of Gross Revenue shall be collected. Higher of the actual gross receipts received and projected gross revenue (as per DPR) shall be considered for calculating ADP and

(iii) 1.00% of the estimated Project cost subject to a maximum of Rs. 50 Lakhs shall be collected from the developer towards the Project Development Fee (PDF) as a pre-condition for signing of the agreement.

(Contd..3)

(c) Tenure of land lease for a period of 90 plus 3.5 years (construction period) from date of handing over the site.

(d) 100% waiver of land conversion charges.

(e) 100% reimbursement of stamp duty and transfer duty.

(f) 100% reimbursement of net SGST for a period of 5 years from COD or upto a realisation of 100% of the fixed capital investment, whichever is earlier and

(g) Reimbursement of power charges @ Rs1.00 per unit for a period of 5 years from COD. However, the fixed cost power reimbursement shall be capped up to a maximum amount on a yearly basis, as per the yearly power usage mentioned in the DPR.

7. The Chief Executive Officer, Andhra Pradesh Tourism Authority, Vijayawada shall take further necessary action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer,
Andhra Pradesh Tourism Authority, Vijayawada.
The Principle Finance Secretary to Government,
Finance Dept., A.P.Secretariat, Velagapudi.
The District Collector and Magistrate, Tirupati.
M/s MRKR Constructions & Industries Pvt. Ltd, Hyderabad.
(through CEO, APTA)

Copy to:
The Additional Secretary to Hon'ble CM.
OSD to Hon'ble Minister for Tourism (TC & YA).
PS to Special Chief Secretary to Government.
The GA(Cabinet) Department, A.P.Secretariat, Velagapudi.
(w.r.t their U.O.Note.No. 229-D/2023, Dt:14.07.2023)
SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER